

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
OFFICE OF TAX AND REVENUE



May 14, 2003

Business Name  
Business Address  
City, State, Zip

Dear Taxpayer:

Our records indicate that your business is subject to new regulations that will require you to file and pay your employer withholding taxes electronically.

The Office of Tax and Revenue (OTR) has published final regulations in the *D.C. Register* that require business taxpayers to file and pay their employer withholding taxes electronically effective June 1, 2003, if the amount of their payment due for a period exceeds \$25,000. The first electronically filed return is due June 20, 2003 (for the May 2003 withholding tax return). This requirement also applies to third-party bulk filers that file withholding tax returns for businesses that must report withholding taxes for District resident employees, regardless of whether the third-party filer is located in the District.

We currently have two ways your business can satisfy the new electronic filing requirements. Choose the filing and payment option described below that best fits your business needs and capabilities:

- The electronic Taxpayer Service Center (eTSC) allows you to file and pay your FR-900M and other types of returns and payments through a secure Internet site. In addition, registration with eTSC allows you to view summaries for all of your OTR accounts. For this option, the eTSC registration application is enclosed. For more information on eTSC, visit [www.cfo.dc.gov](http://www.cfo.dc.gov), select Taxpayer Service Center, then Business Tax Service Center.

In order to file and pay electronically using this option, you must first register as follows:

1. Complete the registration form enclosed with this letter.
2. Fax the registration form to OTR within thirty (30) days from the date of this letter to the fax number provided on the registration form.
3. Receive a user ID and password from OTR that will allow you 24-hour access to the OTR electronic filing system.

- The D.C. ACH Credit payment program is also available for businesses that wish to send their payment and tax return in one file through their bank to OTR. For this option, a faxed registration is not needed. However, you must comply through an electronic transaction with your bank. ACH credit transactions must follow the exact specifications of the D.C. ACH layout. These specifications are available at [www.cfo.dc.gov](http://www.cfo.dc.gov) under Taxpayer Service Center.

Business taxpayers that do not comply with the new electronic filing requirement after June 1, 2003, will be subject to penalties for failure to file and pay electronically. These penalties will apply after the business taxpayer has been notified in writing to comply but has failed to do so.

If you have questions regarding this requirement or electronic access, please contact Lucy Murray, deputy director in the OTR Information Systems Administration, at (202) 442-6391 or (202) 442-6366. If you have a legal question regarding this requirement, please contact William Bowie, attorney-advisor in the OTR General Counsel's Office, at (202) 442-6512.

Sincerely,

Office of Tax and Revenue

Enclosures